

Message Text

LIMITED OFFICIAL USE

PAGE 01 BONN 12467 01 OF 02 071627Z

42

ACTION EB-11

INFO OCT-01 EUR-25 ISO-00 CAB-09 CIAE-00 COME-00 DODE-00

DOT-00 INR-11 NSAE-00 RSC-01 FAA-00 SS-20 NSC-07 L-03

H-03 DRC-01 IO-14 /106 W

----- 124705

R 071614Z AUG 74

FM AMEMBASSY BONN

TO SECSTATE WASHDC 4262

LIMITED OFFICIAL USE SECTION 01 OF 02 BONN 12467

E.O. 11652: N/A

TAGS: ETRN, GW

SUBJECT: CIVAIR - PAA SEEKS ASSISTANCE RE LANDING

FEEES AT FRG AIRPORTS

REF: (A) BONN A-267, MARCH 17, 1969; (B) BONN A-681,
JULY 10, 1969

1. SUMMARY. CHARLES RUNNETTE, PAA DIRECTOR GERMANY, IS SEEKING USG SUPPORT ON NEGOTIATIONS BETWEEN THE AIRLINES AND FRG AIRPORT COMPANIES CONCERNING THE SETTLEMENT OF PAYMENT OF THE PASSENGER SERVICE CHARGE WHICH HAD BEEN WITHHELD BY CARRIERS SINCE 1969 PENDING THE OUTCOME OF RELATED COURT PROCEEDINGS. THE SPECIFIC ISSUE CONCERNING PAA IS AN EXEMPTION ON THE PAYMENT OF THE PASSENGER CHARGE FOR TRANSIT PASSENGERS, WHICH IN THE CASE OF PAA AMOUNTS TO ABOUT ONE MILLION DOLLARS ANNUALLY. ACTION REQUESTED: DEPARTMENT'S VIEWS. END SUMMARY.

2. PAA DIRECTOR RUNNETTE HAS REQUESTED USG SUPPORT IN CURRENT NEGOTIATIONS BETWEEN AIRLINES OPERATING IN THE FRG AND THE ASSOCIATION OF GERMAN AIRPORT COMPANIES (ADV) ON THE PAYMENT OF THE PASSENGER SERVICE CHARGE (VARIABLE PORTION OF THE LANDING FEE). AS INDICATED IN
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BONN 12467 01 OF 02 071627Z

REFERENCED COMMUNICATIONS, THE METHOD OF COLLECTION OF

THE DM 5 PASSENGER CHARGE AS A COMPONENT OF LANDING FEES AND ITS CONSEQUENT APPLICATION TO TRANSIT PASSENGERS HAS BEEN A SUBJECT OF CONSIDERABLE CONTROVERSY SINCE ITS INTRODUCTION ON APRIL 1, 1969. THE AIRLINES, INCLUDING LUFTHANSA, HAVE SOUGHT RELIEF THROUGH THE GERMAN COURTS. HOWEVER, AFTER A SERIES OF COMPLICATED LEGAL PROCEEDINGS, THE GERMAN COURTS HAVE FOUND IN FAVOR OF THE ADV MODE OF COLLECTING THE FEE. WHILE THE EMBASSY DOES NOT AS YET HAVE FULL DETAILS, IT APPEARS THAT THE WAY IS NOW CLEAR TO SETTLE ALL OUTSTANDING ISSUES RELATING TO COLLECTION OF THE CHARGE.

3. ACCORDING TO RUNNETTE, THE CARRIERS ARE PRESENTLY NEGOTIATING WITH THE ADV TO SETTLE (A) THE AMOUNT OF SETTLEMENT TO BE PAID TO THE AIRPORT COMPANIES FOR THE PERIOD 1969 THROUGH 1971 WHEN NO PAYMENTS WERE MADE BECAUSE OF THE LEGAL PROCEEDINGS, AND (B) THE AMOUNT TO BE PAID ON THE TRANSIT PASSENGER PORTION OF THE VARIABLE LANDING FEE WHICH HAS BEEN WITHHELD DURING THE 1971 THROUGH 1974 PERIOD. THE NEXT MEETING ON THE SUBJECT IS SCHEDULED FOR AUGUST 11 AND 12.

4. PAA TAKES THE POSITION THAT THE EXISTING MODE OF COLLECTION, BASED AS IT IS ON THE NUMBER OF PASSENGERS CARRIED BY AIRCRAFT WHEN IT LANDS IN THE FRG, IS DISCRIMINATORY AGAINST THOSE AIRLINES WITH A HIGH VOLUME OF TRANSIT PASSENGERS. RUNNETTE HAS TOLD US THAT SEVERAL OTHER EUROPEAN COUNTRIES CONFORM TO AN ECAC RECOMMENDATION WHICH DOES NOT PROVIDE FOR THE COLLECTION OF A PASSENGER SERVICE CHARGE FOR TRANSIT PASSENGERS. PAA WOULD HOPE TO CONVINCE THE ADV TO ESTABLISH

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 BONN 12467 02 OF 02 071656Z

42

ACTION EB-11

INFO OCT-01 EUR-25 ISO-00 CAB-09 CIAE-00 COME-00 DODE-00

DOT-00 INR-11 NSAE-00 RSC-01 FAA-00 SS-20 NSC-07 L-03

H-03 IO-14 DRC-01 /106 W

----- 124903

R 071633Z AUG 74
FM AMEMBASSY BONN
TO SECSTATE WASHDC 4263

LIMITED OFFICIAL USE SECTION 02 OF 02 BONN 12467

THE ECAC APPROACH IN THE FRG.

5. THE EMBASSY HAS MADE SEVERAL LOW-KEY INQUIRIES WITH THE MINISTRY OF TRANSPORT (FMT) AND WITH A FRANKFURT ATTORNEY WHO HAS DEALT WITH THIS MATTER. OUR SOURCES ACKNOWLEDGE THAT THE VARIABLE LANDING FEE PROBABLY WORKS TO THE DISADVANTAGE OF AIRLINES CARRYING A HIGH VOLUME OF TRANSIT PASSENGERS THROUGH THE FEDERAL REPUBLIC. THEY POINTED OUT, HOWEVER, THAT LUFTHANSA MUST LIKEWISE PAY THE VARIABLE LANDING FEE WHEN TRANSITING PASSENGERS TO POINTS WITHIN THE FEDERAL REPUBLIC AS, FOR EXAMPLE, AN INTERNATIONAL LUFTHANSA FLIGHT FIRST LANDING IN MUNICH AND THEN PROCEEDING TO FRANKFURT. (THE PASSENGER SERVICE CHARGE FOR THE SECOND LANDING IN THE FEDERAL REPUBLIC IS DM 1.50.) WE HAVE ALSO LEARNED THAT THE PASSENGER CHARGE WILL BE INCREASED ON NOVEMBER 1, 1974 TO DM 7 FOR THE FIRST LANDING IN THE FEDERAL REPUBLIC BY INTERNATIONAL FLIGHTS. IN RESPONSE TO OUR APPROACHES THUS FAR, WE HAVE BEEN PROMISED AN ADVANCE COPY OF A FMT DRAFT PAPER ON THE NEW SCALE OF CHARGES WHICH WE HOPE WILL SHED MORE LIGHT ON PRESENT FRG THINKING. WE WILL REPORT FURTHER AFTER RECEIVING LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BONN 12467 02 OF 02 071656Z

THIS MATERIAL.

6. COMMENT: ON THE BASIS OF THE INFORMATION WE HAVE BEEN ABLE TO DEVELOP FROM GERMAN SOURCES THUS FAR, WE ARE NOT OPTIMISTIC THAT GERMAN AUTHORITIES WILL BE RECEPTIVE TO THE DISCRIMINATION ARGUMENT WHERE THESE FEES ARE CONCERNED. NONETHELESS, SINCE RUNNETTE CALCULATES THE PASSENGER SERVICE CHARGE ON TRANSIT BUSINESS COSTS PAA CLOSE TO A MILLION DOLLARS A YEAR, WE BELIEVE SOME CONSIDERATION SHOULD BE GIVEN TO SUPPORTING THE AIRLINES' POSITION. WE WOULD APPRECIATE THE DEPARTMENT'S COMMENTS, IF POSSIBLE, BEFORE THE NEXT MEETING BETWEEN THE ADV AND THE AIRLINES. HILLENBRAND

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LANDING RIGHTS, NEGOTIATIONS, BALANCE OF PAYMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 07 AUG 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: cunninfx
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974BONN12467
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740215-1021
From: BONN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740869/aaaacgsh.tel
Line Count: 168
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: (A) BONN A-267, MARCH 17, 1969; (B), BONN A-681
Review Action: RELEASED, APPROVED
Review Authority: cunninfx
Review Comment: n/a
Review Content Flags:
Review Date: 08 MAY 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <08 MAY 2002 by garlanwa>; APPROVED <25 FEB 2003 by cunninfx>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CIVAIR - PAA SEEKS ASSISTANCE RE LANDING FEES AT FRG AIRPORTS
TAGS: ETRN, GE, US, PANAM
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005